Life gets tough for
the small boys

Taipei lets curre
slide in attempt to increase exports

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Optimism over German economp: Germany's
 on a rise in expiontorterter and hoses of
awated recovery in retailing Page 2
Turmoll follows Altanian olectionas: Abbant was thrown intop piitical turmanil asther ruligg
ioght wing Democratic party claimed victory in
 lor protests against alleged electoral fraud. The
opposilion Socialist party said it would not recog. oppoaltion Socialist part
Ukraine's Pus dfsmissod. Uixainian president Leanid Kuchma sacked bis prime niminster Yeverhen

Marctukk, citing alow proeress on eoonomic reform. | Marchau |
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Tokyo shares edge down: In Tokyo the Nivkei
 seling. Markets in in the US and m
werc elosed for publich hodidays. WV
350 years of the Dow, Page 27
UK group seeks to ralse $\$ 60 \mathrm{~m}$ on Aim:
Zoloto Mining of the UK is to raise about 5 Somm
 tha Amor Region of tar eastern Russia. Page 23 Honsta boosts graduate recrultunent
Hapanese carmaker Honda pans todouble is grad
fate intake hals year, its mint increase in four years
 Crickete Ekgland beat India by four wickets at 0 In Tratitiond, Manchester to to lincb a 20 victiory in the
Texaco Trophy series of oneday internationals. Eurropean Ellonetary Systome There was no ast week. The spread between strongest and wreak
 cantinued optimism about the E E


Rebel leader agrees to ceasefire 国 President's re-election hopes boosted
Yeltsin hails signing of Chechnya peace deal

| By John Thomhity in Moscow <br> Russian president Boris Yeltsin yesterday hailed the signing of a after a Chechen resistance leader went to the Kremlin promising to halt 17 months of fighting in the separatist region. <br> problem of peace in Chechmey Mr Yeltsin said after signing the deal to end the fighting in the territory in southeast Russia, where more than 30,000 people have died. <br> The agreement is a significant boost to the presidential re-election campaign of Mr Yeltsin, whose popularity bas been under. In extraordimary scenes <br> In extraordimary scenes yester the Chechen leader, drove to the neighbouring region of ingusbetia in a heavily-ammed convoy and hoarded an aircraft for Moscove, Still dressed in battle fatigues, be went straight into a two-hour meeting with Mr Yelt. sin in the Kremlin. |  |
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## Indian government set to be toppled today

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| been unable to gather enough support from other parties to ensure its survival. | they warned yesteridy would topple a United Front |
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| The BJP and its allies won 194 | nomic reforms started in 19 |
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| result ever, and has | eet castes. Tra nucleus is the Jan- |
| cided not to attermpt to lead a |  |
| open | Some of the coalition |
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| weeks ago, to became the nex |  |
| prime minister. Mr Gowda's |  |
| still well short of a majosity. |  |
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Legal dispute threatens \$2bn payment to BCCI creditors


Microchip advance promises 'electronics revolution'

## Texas Instroments, the US elect ronics group, will announce oid oday that it has developed the Sechnology to build a thumbnail sized compterer chip a with the pro- iessing power of 20 personal com

 puters.The new semiconductor tec
nolog will enable engieers
bund
 pbones and voice recognition
syttems. Early appplitantions
include telecommunications and include telecommunications a
wireless conmunicatans.
Colled TTmeline technolog
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mírons mide - less han one
hundred thousandth of a centil netre.
It will he possible to pack $125 m$
transistors on to a single silico chip mbere more than double the
number possibe witb current
0.25 micron processes. A widt o D.18 micron processes. A width ore of a humanen hari the dian
Thbis drammatcic orime of made increane in rransistor arag
 industry" said MR Rich Temple
ton senion vice presideat of TTs
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 racility in Dalas which wil
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199. 1997. The technology will allow T1 phemory and onther spectecessor fing
nions on to a single silicon chij. lens on to a simgle silucon cifa
revacing the unmber of semico
ductors required for consum cent
Most electronic systems today
are built using many semi. Contionned on Page 22


Continned on Page 2

## THIS WILL STAY WITH

 YOU FOR THE REST OF YOUR LIFE

[^0]Zyuganov flies in face of IMF pact



Albanian elections send
tremor through Balkans
Albanian elections send
tremor through Balkans

Kuchma sacks prime minister in loyalty feud

| natthew Kaminski in K | independent political image", |
| :---: | :---: |
| Ukrainlan President Leonid Kuchma yesterday sacked his | ment from the prestdential |
|  | press service. |
|  | Fending within Ukraine's |
| chub, clthng slow progress on | political class grew worse last |
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| disclpine by the cabine | critcised the president |
| long political feud. Personal | Nyedely, a Kiev weekly. He |
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| ver | ma's call for a referen- |
| whose responsli | dum on the draft constitu |
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| ector | Mr Mar |
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| ent workers. | ger poititical |
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| in newspaper interviews and | mi |
| public statements. Mr Kuchma | Horhulin, the national security |
| anuesioned Mr Marchuk's |  |
|  | larchuk was appointed |
| prime minister, rather than |  |
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## Energy Trading Consultancy

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Gas and Fuel is Australia's largest natural gas utility
We are seeking expressions of interest Irom suitably
qualified firms who can assist in the establishment ol an
anergy trading functinn to operate within a deregulated
built upon existing capabilities in natural gaa and
transportation purchasing.
Respondents should provide:
- Contact details
- Briel details ol their credantials for tha provision ol
such service
    The Contracts Manager
    Gas and Fuel
    Victoria
For furthar infinmatinn contact Mr Jnyce nn
61-3-96525038 nr tax 61-3-9652 5463.
Proposals are requested by 5.00pm Friday 14 June 1996.
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Bonn drags heels on single market



German business shows signs of cautious optimism Br

betwsen the value of a cityss more international market.
outputs and tie value of the Milan has undertaken several.
inputs used to make them



European ci
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The report singles out Dub lin's recently developed Inter
national Financial Serices
Centre an one example of the




## Beiersdorf AG

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tallgesellschaft AG
RWE Telliance AG
or thcir presentaiuons during
in Hamburg.


## Mubarak takes sober line on Israeli election


#### Abstract

By James Whitiongton in Catro Esptian Presideot Hosni Mubar in Irrel's election as divarpaigning the middle East $r$. that they't make things very gass. Who was elected ha said hrael's sidn next prime   Weekend debate between Mr Shimon Peres. Israeit prime ministser. opposit onpon yahu, who both pledged tominin Nete ter salem the undivided and eteranal tal of their country.   


Tougher line may affect investors in oil and gas Kazakhs to tighten up on tax under IMF deal

Lebanon banking law boosts financial hopes

| Sander Thoenes in Almaty |
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| Kazakhstan has |
| preliminary agreement with <br> the International Monetar |
| Fund for a sasbmi loan, but it is |
| tied to tougher taration which |
| nts in the |
| Karakh officials said |
| The three-year Extended |
| board later the |
| uld be a step beyond earlier |
| year standby facilities. The |
| approved a Flobn facility |
| Mr Uraz Dzibandosov, |
| Mr of Karakhstan's National |
| nk, said his go |
| ged to cuti inflation to 2623 |
| ant by th |
| Wn from 160 per com |
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| an to set a 20 |
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| tion rates in the first quart |
| were higher than expected. |
| deificit should go down to 0.8 |
| per cent of gross national |
| product, with Treasury bills |
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deputy economies minister.
Kazalahstan
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budget as it faces a a coming payment in frisis a tbooming
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passing a draft law on taxation passing a draft law on taxation
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THis.


## By Rouda Khotar


anese banks' need to recapital-
ise increases a and bankers lobb-
ied for tbe readarion ise increased and bankers lobb- local carrencer's depreciation
Mr Frreddie Baz, raviser to crapped regulation to be Barque fredidi, bazich adiserspecThe new law will enabie Leb- ted to be amony the first bpanks
 beetrer footing with foredge
nit also acts as a first step towarsis injecting sirst stap
into
into the Lebanese bourse. which opened after muxch delay
earilier this yoar but still has
only four slocks listed and a daily yrrading voume of ondy a
few thousand dollars. Some bankers said. the new
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Lebhanos's family controlled
tusinesses businesses have been slow
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and have been discouraged by uave been discouraged
undervaned balance
sheets resultug from the

## NTERNATIONAL NEWS DIGEST <br> Thai finance minister quits




 hut did not make an announcomement or say whether he hai But Mr Suratiarar said be considered his removal to be a
dome deal. -1 bope my successor contimues Thailind's



S Korean growth put at 7.9\%
 bank warned the gross domestic prod enct growth rate would
siow. GDP Erowth in the first quarter was higher than the previous पuarter's rate of 68 per cent and exceeded the central performance realecteb strong exports. increas. Exports sose by 24 per cent as shipmentrs of electronics, east Exropean ocuntries. The e construction sector grew by 9,3 per cent as spending on pubicic warks increased. while private
consumption rose 72 per cent The central bank predicted that consumption rose 2 per cent The central bank predicted that
eeonomic errowth would slow in the second quarter because of
and slugeish esports of cars and semiconductors and a fall in
John Burtom Seoul
construction tmeestment.
Israeli interest rates to rise The Bank of lsrael pesterday said it moodd raise interest rates
0.7 percentage points in June in an attempt to rein in infation after consumer prices rose 17 per cent last month. The
 1996 rate will far excreed last year's 8 per cent.
 it pian to controp inflation, keepling the sraelil shekell stable a
 NSW pensions group to be sold The New South Wales state government will go ahead with
privatisisg the state pension fund management unit, wiich handies around Asir7on (DSss136nn) of public servants'
ectirement funds. Fumd management businesses ssually sell a
 government The goveryment annoonreed darlier this year it wass spititing ovt the fuod management arm of the State
Superannuation Corporation from the administration unit


__ NEWS: ASIA-PACIFIC

Japan's giants Alarms sound over China's slower economy
recruit more graduates



## Carmaker to end some outsourcing

| Ey Michiyo Nakamoto in Tokyo |  |
| :---: | :---: |
| Mitsublshl Motors is to take | manufacturing facility or lay- |
| back the production of some |  |
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| MMC's move contrasts |  |
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| struggled with low capacity | engine contract with Chrysler |
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## Howard may $\quad$ IMF sees higher growth sidestep MPs on sell-off plan for Philippines economy



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|  |  | 1994* | 198 |  |
| Philippine gross national product in 1996, up from 5.7 per cent last year, according to a letter of intent to be slgned by the government and the internatlonal Monetary Fund this week. |  |  |  |  |
|  | Euaget suppus fon pesos) |  |  |  |
|  | \#can |  |  |  |
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|  |  | ${ }^{14}$ per cent to 22 per cent. |  |  |
|  |  | The Philippine government, which yesterday announced it |  |  |
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|  |  | was returntug to the Samurai |  |  |
|  |  | bond market for the first time in 15 years with $\$ 400 \mathrm{~m}$ worth of yen-denominated debt in |  |  |
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| Te IMF is recomising |  |  |  |  |
|  |  | taxas. reforms in |  |  |
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|  |  | The tax bill, which has been |  |  |
|  |  | groups opposed to the shiftfrom ad valorem to specific |  |  |
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| undersecretary for |  |  |  |  |
|  |  | the tax base and guarantee |  |  |
| between the |  | The govermment, which |  |  |
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|  |  | he weekend over |  |  |
|  |  | specific excisereform will gen- |  |  |
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|  |  | te an extra 38bn pesos in enues per year, enabling it |  |  |
|  |  | to end lits relizance on proceeds |  |  |
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|  |  | m lts privatisation pro-amme. |  |  |




## Daewoo takes over Romanian shipyard

##       Minister brushes aside international criticism <br> Jakarta presses ahead with national car plan

Reforms keep US league

at top of








## Wortd compettrvane

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 praitanan Power Compempany (Taipower), the state electric
utility, at the

 whirh teamed up with the Nuctear Rlectric of the UK
The decision followed a vote Lo the national lecislature

 warning to the governm
opposition to the plant

Carmakers may spin off engines A radical restuccuuning of the giobal automotive sector may
soon take plice with carmakers. ppinnlng oft ther engine
 soon as nest year. It says investors, consumers, car "integrators" and engine manuaracturess would all beneffit Trupp of fron tive curamakers agree to separate their engine
units from their core busineseses and to merte them into
 best engines to be produced in much larger quanntities.
At present, production of even exceptionaliy good eng At present, prod dection of even exceptionail good engines,
whose developent costs can reach $\$$ Fibn may amount to only
about 500.000 units about 500.000 units a a ear.
Egis estimates that over
Egis estimates that over a number of pears, a specialist



Enron in Mideast gas venture Enron of the US yesterday announcese that negotiations on a
jolnt venture to build as 30 m regasificition plant to the


 According
the
Thenture.
The government of Qatar gave Earran approval to market $5 m$
tomes of liquefied Datiral gas a year, half to India and tha



- SNCLLLvalin, Canaad's biggest engineering and construction group, with consultants Klohn crippen, is doing



## OUR STRATEGY

ACHIEVING GOALS TAKES A SPECIAL MIX OF SKILLS.
PASSION AND PLANNING. INDIVIDUALISM WITHIN


teamwork. Natural flair perfected
by practice. It's all part of our
overall approach. To help make MAJOR SPORTING EVENTS LIKE EURO 96 RUN SMOOTHER. YOUR OFFICE TOO.

So ECOLOGY AND EfFICIENCY GO HAND in hand. Productivity leads to more leisure time. Pleasure and profit Share equal rights. Life's a game.

And everyone can be a winner. With the right strategy. Ours. And yours.

SO, TOGETHER, iET'S CARE.


The Government of the Arab Republic of Egypt Holding Company for Metallurgical Industries

Strategic sale of a minimum of $\mathbf{8 , 0 0 0 , 0 0 0}$ common shares representing at least $\mathbf{4 0 \%}$ of AMEREYAH CEMENT COMPANY

## Lead Managers

Bank of Alexandria
Egyptian Financial Group (EFG)
As part of the Egyptian government's privatisation program. the Holding Company for Metallurgical Industries. a state entity. is fully privatising Amereyah Cement Company (ACC) through the sale of a minimum of $8,000.000$ common shares representing at least $40 \%$ of ACC to a strategic investor(s). The Holding Company for Metallurgical Industries currently owns $77.5 \%$ of the company, the remaining $22.5 \%$ having been privatised through two public offerings in 1994 and 1995.
ACC was incorporated in 1989. It operates two dry Polysius kilns with a combined nominal capacity of 1.98 million tons of clinker per annum. The plant is situated 40 km . west of Alexandria. Actual production, essentially ordinary Portland cement. reached 2.3 million tons in 1995 . making ACC one of the largest players in Egypt, with a 14\% local market share. Bottom-line proits reached US $\$ 39$ million in 1995, a $78 \%$ increase over 1994 results.
The table below summarizes ACC's financial performance during the last three years. Note that the fiscal year ends in June.
Figures are in US $\$ 000$ 's

| Summary Balance Sheet | 1992/93 | 1993/94 | 1994/95 | Summary Income Statement | 1992/93 | 1993/94 | 1994/95 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Cash | 24.447 | 39.608 | 29.071 | Net Sales | 82.541 | 98.938 | 105.772 |
| Net Fixed Assets | 162.816 | 141.823 | 126.218 | Earnings Before Int.. Taxes. Dep. \&Am. | 40.283 | 53.397 | 49.067 |
| Total Assets | 217.755 | 217.268 | 193.634 | Earnings Before Interest \& Taxes | 25.556 | 36,942 | 34.017 |
| Long Term Loans | 142.360 | 90.484 | 38.378 | Net Profit | 5.100 | 22.112 | 39.372 |
| Net Worth | 10.836 | 34.117 | 44,509 |  |  |  | 39.372 |

For further information on sales conditions and for the prospectus, kindly forward your request to:

| Egyptian Financial Group (EFG) | Contact Persons: |
| :--- | :--- |
| 55 Giza St., Cairo, Egypt | Dr. Mohamed Taymour |
| Tel: $(202)$ 568-8455/568-7764/572-9248 | Mr. Hassan Heikal |

The deadline for submission of bids is June 24th 1996. Investor(s) can bid for whole or part of the offered shares.


Telêléat ining
It's a xhiofentyst cie
of thought
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The frontiers of knowledge are
The frontiers of knowledge are being pushed back every day. And possibilities presented by today's information explosion. Thanks to the Infobahn, that dream is now a reality. With TNet, Deutsche Telekom has the network and the software in place to transcend the barriers of informat and education.

There are new breakthroughs in science and technology almost daily. This poses the biggest challenge of our times to our education system and to the children in our schools and universities. But it also throws down a gauntlet to industry. Everyone, no matter which business they work in, must learn to meet the chailenge of new technology and the whas and innovative soft hroughtha whis ware solutions. Not surprisingly, when it comes to this subject, Deutsche

Plugging into schools.
We know the future lies in our children, so we have invested substantial resources and time to connect German schools to the Infobahn. We aim to make the opportunities afforded by this technology available to as many children as possible at an early age. We've done our homework into the possibilities of software for teleleaming loo. For example, 1 e project opens the door for fir

## The Electronic Teacher

For many years, our curriculum has included multimedia learning using PCS in schools, at home and at work. We have promoted pan-European teleleaming for individuals on the job and remote and cross-border leaming through "virtual classrooms". We have also made further training more easily available in areas as diverse as physics and the law through elec tronic tuition.

## Education without frontiers.

We've put our heads together with the Swiss PTT and the Spanish Telefonica and combined our expertise to create a common software platform for telelearning. And, in collaboration with the Academy of Intemational Education American universities and management institutes, we have created the firs "virtual university". We have also designed and installed telelearning systems in major German companies. Whether you want to do business on an intamational scale or just operate locally ing nology to set you on the right course.

You couldn't be in better hands.
Deutsche Telekom is the No. 1 telecommunications company in Europe and the second largest network operator worldwide. We continua to pioneer new technologies. In fact, since 1990 we have invested DM 135 billion in new telecommunications infrastructures, which makes us the world's single largest investor in this area. We offer mulimedia and online services sy strong business partnershios which span the globe. There are many international companies who want to laarn what communications can da for them. There are very few telacommunications companies as well qualified to teach them as Deutsche Telekom.

Our connections move the world.

## Premier faces party split on EU tactic

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| would encourage the govern ment to restore normal rela [after lifting the ban on bee derivatives] is to pot into place an agreed strategy. <br> Mr John Redwood. champion |
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| of the Conservative |
| Eurosceptic rigbt, orged Mr |
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## Siemens and Ford

 to enlarge plastic car parts venture



## Irish import curb criticised

## By John Mh in Duthon

## Baroness Denton, the minister


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UF beon
ern lreand eorts to keep North.

## th <br> 

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## 

The Press is conspicuous in its use of paper.
Some people's imaginations make an enormous leap from this fact to the false conclusion that the newspaper business is destroying the tropical rainforests. This is not true.
Trees from tropical rainforests are not used to make newspapers. The woodpulp used to make newspapers comes from softwood trees from well-managed forests in Canada, Northern Europe, Scandinavia and the UK.

## So please remember,

TROPICAL RAINFORESTS ARE IN THE NEWS BUT THEY DON'T MAKE THE NEWSPAPERS <br> \title{
Topical, <br> \title{
Topical, Not Tropical
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$\left\lvert\, \begin{aligned} & \text { Another } \\ & \text { food scare }\end{aligned}\right.$ food scare may bruise ministers

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US-built Chrysler will undercut European rivals

| By John Grimitits in |  |
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| 5 of the Chrysler |  |
| k the first serious chal- |  |
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| the first of a series of Carysler |  |
| models to he imported by |  |
| Imports UK. It will undercut |  |
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| saloon market. |  |
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| the Neon, built at Chrysler's |  |
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| overall than | Chrysier-badged vehicle sold in |
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## MADEIRA

## Ocean outpost aims for the mainstream

Portugal's idyllic Atlantic province is trying to transform itself into an attractive focus international David White and Peter Wise







## Number One in Portuguese Banking

$\begin{aligned} & \text { Caixa Geral de Depositos. S.A., established in 1876. is Portugars largest bank. } \\ & \text { As an universal bank, CGD operates an extensive } 500 \text { branch network offering a }\end{aligned}$
$\begin{aligned} & \text { As an universal bank, CGD operates an extensive nd } 50 \text { branch nelwork ofienng a } \\ & \text { wide range of financial services in the domestic and intemational markets. }\end{aligned}$
CGD leads Porrugar's most timportant finencial group wath maior subsidiaries in
commercial banking.
CGD's expanding intemational activity is also backed by its subsidiaries: an offshore
$\begin{aligned} & \text { Granch expanding intemational activity is asso backed by its subsiciariess: an offshore } \\ & \text { badeira. a full branch in Paris. a bank in Brazil. three banks in Spain, a }\end{aligned}$
$\begin{aligned} & \text { bank in France and a network of cormespondents in more then } 100 \text { countries. } \\ & \text { A sold Institution and } e \text { diversified Group to ofier you } e \text { complete financial service }\end{aligned}$

## - ${ }^{-1}$ calxa aeral of obepostros



## Rely on Us <br>  

- CaIxa geral on us depositos



## FINANCIAL TIMES COMPANIES \& MARKETS <br> © THE FINANCIAL TIMES LIMITED 1996

## UK water group braced for $\mathbf{£ 1 . 5 b n}$ offer

Facia

investor devalues stake
$\qquad$





Bulls and bears battle it out in copper's squeezed market
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## Zoloto to raise $\$ 60 \mathrm{~m}$ on <br> Aim for Russian gold mine

 Tnita Conempontent Zoloto Mining , a UK company
is
Lot raise about
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## Pillington's

MANAGEMENT BUY OUT OF PILKINGTON'S TILES LIMITED
£21,500,000
Equiry structured, led and arranged by MURRAY JOHNSTONE PRIVATE EQUTTY LIMITED

Bank facilities provided by: Mezzaninc facilities provided by


NatWest Markets Mezzanine Finance North West
$\square$
house
sop Wilkinson
Funders advised by:


Manchester Manchester
Manchester
 This appears as a matrer of record only


BBA to sell
carpet arm carpet ar
for $£ 34 \mathrm{~m}$

the trasporation

Durafay makes carpet mide




 Com



## Whittard of Chelsea brews up $£ 20 \mathrm{~m}$ float on Aim



United Utilities to raise pay-out to soothe critics $\substack{\text { Unite } \\ \text { munt } \\ \text { mad } \\ \text { mis } \\ \text { mis } \\ \hline}$




Great Eagle to buy Langham Hilton



 company is to buy the Lang.
hamanito hotel in London
from the Ladrocose Group for

## The deai marks the first step According to the Hong Kong come Hong Kong which is oconroiled cy

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Prism Rail raises $\mathbf{~ 8 8 m}$
By Motoko Fich
Prism Rein, the company which
has been awarded a 15-year
franchise to run the London,
 which preceded tits isting on
the AIterative Investment
Market tonorrow.
Prism, which will run tha Prism, which will run tha
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dubbed the misery
ause of its frequent dec.
ailags and dubbed "the misery line" be
ause of fits frequent delags an
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UKis first publicly tecome thoted train UK's first publicly-quoted train
operating compan since the
ranlways were nationalised in
194?
 ssid the placing was o
subscribed, and that the uns
ssfied demand cond repres tsfied demmand could represent
appol of institutional tavestors
who conld provida a who coold provida a "ready
sourco of adrational capital to
fond other franchisises".

## Every .pair is not a couple.

Therefore, if ynu're looking for a cnrresponent bank in Turkey, make sure you wor or example, a bank thar was selected as Fore example, a bank thar was selected as the

- the Year in Turkey ${ }^{*}$ by Euromoney magazine.
A bank thar has been awarded the ISO 9001
Quality Management System certificare...
A hank whose high regard among inrerna-
tional financial community generated $\$ 590$ dional hinancial communiry generated 559
million in funding facilioes in 1995...

A bank that is nne of che leading names in trade finance, hsod the councri's exports in 1995...

A bank thar handled S11.4 billion in foreign currency transactions in 1995...
The nnly multibranch Turkish bank to be
awarded a ling-term " $A$ " rating three years awarded a ling-term "A" rating three years
in a row by Capital inrelligence. Touldr Wouldn'r you like ro work with a corre-
spnndenr bank in Turkey like Garanti?

## BHGRANTI BANK




## ABSA

ks of South Africa Limited
The largest banking and financial services group in South Africa
Audited results for the year ended 31 March 1996
■ Attributable income up by 50\%
Earnings per share up by 47\%

- Advances grow by $16 \%$
$\%$

|  | Write-o <br> By Gerard Beker in Tolya: <br> Japan's trust banks and | fis 1 | an H |  |  | Dan! | Philips and |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
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| opens today |  |  |  |  |  |  |  |
| By James Kynge <br> in Kurala Lumpu |  |  | $3{ }^{3}$ | ${ }_{\text {sa9 }}$ |  |  |  |
|  |  | Tomat | 65619 | 2680 | 600.5 58.3 | . |  |
|  |  | Truat barke |  |  |  |  |  |
| Malaysia is today due to open its second financial futures the country's ambition to become a regional financial centre rivalling Hong Kong and Singapore. <br> The Malaysia Monetary | banks. institutions that have | Nitumban TGE |  |  |  |  |  |
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|  |  |  | ${ }_{4}^{72589}$ |  |  |  |  |
|  |  |  | T18.5. |  |  | 144.7 |  |
|  | pronft in the previous year | Tolat |  | $\underline{447,1}$ - $-1,3965$ | 103.8 | . 015 |  |
| The Malaysia Monetary Excbange is expecting bris contract: the Kuala Lumpur Interbank Offered Rate (Kilibor) futures contract. billed locany instrument for interest rates on the Malaysian dollar, or ringgit. |  |  |  |  |  |  |  |
|  |  | possible. The trust banks are especially burdened with bad | the banks have against utt- |  |  |  |  |
|  |  |  | ses on their |  |  |  |  |
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| ${ }_{\text {The }}$ Thet Klibor is used as a |  |  |  |  | The bank wanted to dispose |  |  |
| bencbmark against which banks price their loans to com. panies and throngowy-market |  |  |  |  |  |  |  |
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|  |  | profit by 131 per cent at the three long-term credit banks to |  |  |  |  |  |
| instruments is set <br> Klibor futures would allow |  |  |  |  |  |  |  |
| banks better to manage risks aninst future interest fluctuations in the ringgit money market. |  | Y6i8.1bn, and by 48 per cent at the trust banks to Y652.7bn |  |  |  |  |  |
|  |  | The combination of direct write-offs and extra special provisions for loan losses |  |  |  |  |  |
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| conomists say that, in the |  |  |  |  |  |  |  |
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| the sophistication of bank lend. ing in an economy which the government has said sbould grow atmitil 2000 . | Samsung shares nit two-year Sharp growth profits of Jadanese |  |  |  |  |  |  |
|  |  |  |  | at Hindustan |  |  |  |
|  | 10W after |  |  | Petroleum | drug groups ahead |  |  |
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| securities and Klibor deposits. | semiconductor prices | includes the LG and Hyundai |  |  |  |  |  |
|  | The Samsung Electronis |  | that will be difficult to achieve. |  |  |  |  |
| tures |  | nced | Semiconductors accoont for at |  |  |  |  |
| Kuala. Lumpur Options and |  |  | Ele |  |  | in unconsolidated current | Netbola |
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|  | global production The interna | $\$ 7$ bn because of the chip price | er |  |  |  |  |
| US do | ${ }^{1} 6$-megabit $D$ Rams in middMay |  |  |  |  |  |  |
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| year_or in 1997 . |  |  |  |  |  |  |  |

## CADES <br> 1996

## For first-rate investor security

CADES is a new French public-secto
borrower put in place by the French Ministry of the Economy and Finance
$\qquad$
$\qquad$ and Finance and the Ministry responsible for Social Security

It naturally enjoys the highest shor
and long-term ratings. It is funded by the RDS (Social

Security repayment contribution)
tax levied on all incomes. Its mission is to absorb FRF 137 billion of debt between now and 2009 .
The amount and its redemplion are enshrined in a French Act of Pariament.

Consequenty. CADES is a sound,
tate-controlled borrower, with a guaranteed lax-funded revenue stream. Its mission is precisely-defined and limited in time.

FIRST
IN EASTERN
EUROPE
ING BARINGS

When IFR awarded ING Barings 'Eastern Europe research of two leading East European specialists perfect matriage"

In IFR's words, "Key to the firm's research
phailosophy is he bris'.
and equity products.
ING Barings provides the most extensive
any coverage available, combined with strategic, technical and liquidity amalysis, to give Doil Poole ( +441717676970 ).


ING $\triangle$ BARINGS

FINANCLAL TIMES TUESDAY MAY 281996 COMPANIES AND FINANCE: INTERNATIONAL

Alex. Brown \& Sons
Dillon, Read \& Co. Inc Lazard Frères \& Co. LLC PaineWebber Incorporated Robertson, Stephens \& Company LLC
Rauscher Pierce Refsnes, Inc,
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Van Kasper \& Company Wheat First Butcher Singer


Dean Witter Reynolds Inc. Hambrecht \& Quist LLC Morgan Starley \& Co. Prudential Securities Incorporated UBS Securities

Hollinger lifts its Southam stake to 41\%





 coumrrys bigest neerspaper
















## BHP appointment

breaks tradition

NEWS DIGEST
SA banking group
posts $\mathbf{4 9 . 9 \%}$ rise









 depository receipts for 58m sbares would be issued to
international institutions this year.
Murk Aslursh Johannessurg
Metway changes tack
 broren wof theat dean in in avours of of ace complexerger mergenk with
stateowned Suncorp Insurance and Finnance. and the
 Sy Surorp, is also to be invited in to the merger. whicb would bold an initial 70 per cent stake in the merged
group but plans to esll
all bnt 15 per cent over the next
ive years. Integrating the three or four companies could take two
 nuncial servicices groups, and would be largely
The agreed St George offer for Metway, at AsA.62 a share,
valued the company at Aspoum. The new proposal would give
 capital raising by a histed unit trust.
This would be the fourth time St George has failed to merge This would be the fourth time St George has failed to merge
witha reyion bank, but it may still be considering
cotinan Fintion, Sydney
countefofer.

## KNP BT agrees Czech deal

 KNP PT, the Datch paper ind packaging proup, said it badconcluded an agreemenent in principiel to accuire so per cent of Karton Morava a Czech packasing eroup, from the
CZeck-based IGECC Karton Holding, for nan nuspecified sum
 expandsion in the emerging markets of central and eastern
Eurrope. Karope, Morava, with a workfarce of 600 , consists of two
Karton Mod
Corruated box plants plus a paper mill that recycles wasts coner to providie esed stock for the plants. The combined
panual outtout of the two operations, near the citieb of
and
 5.0.00 tonnes or corrugated paper.
Karton Morava has en etimated market share of 25.30 per
cent tand enjoys "a leading position" In its market segment in
 production 2n
production
Shangri-La Asia. in hotels buy Shangirica Asia, the Hong Kong property and hotels group, is
to huy interests ow eed by fis parent Kuok Group and
 companies in China
Mr Richard Liul sate
Speating anter the company's annual general meeting, Mr
Liu also said that "it sintended that Kerry Properties Ia Liu also said that "it sin intended that Kerry Properties [a
private company


Price cut hurts Japan's power groups

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| wbat was otberwise ht 1995 for Japan's <br> companies, all of which ye <br> he year to Marcb. <br> kyo Electric Power. <br> d's largest private elect <br> or of one-tbird of Jupan <br> a near 30 per cent declin <br> ecurring profits - befo <br> urnover marginally abe <br> the rest of than). <br> the rest of tbe group, Ka <br> apan's central industri <br> profits decline; Chnb <br> shu Electric's proáts fel <br> .4 per cent and Chngoh <br> profits decrease. <br> 1 five forecast anoth |
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the application of the trigger, the appication of tbe trigger
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companies sre not expecting
the pates ir the latest pil pricice exises to foe





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cent tho sons per cont
trais was paraly because of a
drop in tectunical problems, as Tris was parly because of a
drop in tectanical problems. as
well as a srategy to reduce use



## Fuji Heavy reflects trend with strong rise



FINANCLAL TIMES TUESDAY MAY 281996


IF ALL YOU DO IS LOOK
AT YOURSELF, IT'S EASY TO LOSE SIGHT OF THE ESSENTIALS.

[^1]templating the corporate navel. Which is why we've always looked steadily ahead, our eyes and minds open to new ideas and new concepts. And it's why we so often succeed in identifying today the solutions our customers will require tomorov, be they in the realm of prodution, trading, or services.
$R_{\text {eason enousb, you might think, for looking back }}$ with pride. For instance, at a sucuesesful corporate history reaching back 240 years. Or at our extraurdinary
transformation from trading house to global corporation, with 35,000 employees worrld-mide and a turnover of DM 24 billion. But we prefer to concentrate instead on the essentials, and that means beeping our eyea fired firmaly oo the future.

## HANIEL

FINANCE

## An April explosion for hedge funds

Philip Coggan assesses the improvements in performance in a depressed and variable sector

|  |  |  |
| :---: | :---: | :---: |
|  | IEDGE FUND PERFORMANCE |  |
| Aggressive Growth <br> Emerging Markets <br> Fund of tunds <br> income Macro <br> Market neutral - arbitrage Market n'l - seci's hedging <br> Market timing Opportunistlo <br> Several strategles Short selling <br> Short selling <br> Value <br> Van Global Hedge Fund |  |  |



## INVESTEC HOLDINGS LIMITED

Audited group results for the year ended 31 March 1996

|  Eamings per share (centis) Diluted earnines per simere itenst Dividends perishare foentss: Oividend cover (thmes) Weighted number of oriflnary shares in issue Weighted rumber of shares in insie on a difuted basts Toral number of tully dilituted shianes in insue |  |  |  |
| :---: | :---: | :---: | :---: |
| Consolidated income statement |  |  |  |
|  | 31 March | 31 March 1995 | \% |
| Net income after taxation Attributable to minonty sharehoiders in subsidiaris | 263387 | 165522 | 572 |
|  | 139135 | 88246 | 59,5 |
| Net income <br> Preference dividends | 124252 | ${ }^{80} 276$ | 54, |
|  |  | 151 |  |
| Earnings attributable to ordinary shareholders <br> Ordinary dividends | 106649 | 65088 | 63,9 |
|  | 46488 | 26160 |  |
| Retaimed imame for the year | 60245 | 389 |  |




## ${ }_{\substack{\text { n } \\ \text { Sereletan }}}$

20 May 1996

|  | 31 Marth 1996 R000 | $\begin{aligned} & 31 \begin{array}{c} \text { March } \\ 1995 \\ 8000 \end{array} \\ & 80 \end{aligned}$ |
| :---: | :---: | :---: |
| Capinal employed |  |  |
| Odinay stare capizal | 3154 | 2800 |
| Compulsorily corverible preference shares | 142678 | 142678 |
| Share premium | 586324 | 384509 |
| Resenves | 405746 | 353835 |
|  | 1137902 | 884022 |
| Preierence share capial and corverible bonds | 482640 | 84453 |
| Compulsorily comverible debentures | 84345 | 7295 |
| Ifreres of minoriy sharchodeers in subsidiaries | 1436599 | 1212167 |
| Total capital employed | 3141486 | 2252937 |
| Liabatice |  |  |
| Deposits and other accounts | 53829398 | 12953446 |
| 5 Shareholders for erdinary dividend | 68157 | 4177 |
|  | 57039041 | 15248158 |
| Assets |  |  |
| Cash and shor-termf funds | 28229520 | +532792 |
| 5 hor-term negorible securities | 15923597 | 2119615 |
| Advances and other accounts | 8402724 | 5754519 |
| 1 Invesmerta and uading securities | 3162432 | 1664295 |
| Associzeed companies | 1060656 | 655526 |
| Fived assets | 260118 | 520411 |

$57039041 \quad 15248158$


## Niederhoffer

 Investments, Inc.Victor Niederhoffer, a rop-perfurming US fund manager and pinneer in the statistical analysis and prediction of worldwide financial markers. will
discuss the relarionship berween music and speculation.
Accompanying him on the piano during his talk will be Robert Schrade, an intermationally obert Schrade, an interm
renowned perffurmes.
At the Hourard Hotel, London bun Monduy. Srd /une
Actendance is by invitation only
0171490 SO62 or Fax: 0171 +90

on Monday, June 24
The survey will focus on the policies of the new administration The challenge faced by the country of monetary union Spain's and much more $\theta$ its music and dance culture.

For further information, please contact
Ewa Placzek-Neves on +4401718733725
Fax: +441718733204 or Edward Macquisten
on +3413770061 or Fax: +3413770062.

NANCIAL Times tuesday may 281996

## THEWEEKAHEAD




INVESTE®
Audited group results for the year ended 31 March 1996


##  <br> hinascamidies MARKETS <br> 

Global Investor / Gerard Baker in Tokyo

## The semiotics of the mega-loss

Japarrs bad debt
dear-out




## Cubmex main <br> 

##  <br>  <br> 



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more than that
that Compiled By AE X

| rp rise | pre-tax profits of Y340bn on |
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| electronics | electronics makers. |
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| year to Mar | Mr Azuma Mas |
| prices. Analysts marn P | estimated Hituchi's operath |
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CONTRACTS \& TENDERS

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| Companies that participate through licensers or associated companies should aubmit documentary proof of such sceense |  |
|  |  |
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| Consulate. Comparies should autoridt tha above-mentioned documentary proof <br>  |  |
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|  1996; |  |
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| do Rio Doce reserves the right to revoke, annul, euspend or cancel this Tender at any time and at its sole diacretion, |  |
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| suspend or cancel this Tender at ary time and at its sole discretion, with the partcipants therein havingcomplaints andfor compersasition. |  |
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## Eans: Zazrin COMMERZBAN




 Coupons should be lodged with:
S.a.watrurge co Lid Frankturt am Main, May 1996

The Financial Times plans to publish a Survey
on

on Friday, July 5.
Do you want to reach senior decision makers in the world coal mining and equlpment business?

Contact Anthony Hayes He will tell you how. Tel: +44 1214540922 Fax: +441214550869 George House, George Road. Edgbaston, Bimingham 815 1PG
FT Surveys





 increase of about 7 per cent is
preveicted with a total of jost
over 290 , ui fom over 29p, up from 27.3p
Froceasts range fidely for United Dtilities when it also
reports on Thursday as ann lysts complain that compari.
sons with last year are "man
ingless" because of the contribution from Norweb, the
regional electricity compan accuired at the end of last
year. A postexceppional profit
of some 5 25sma of some eys32m with a divi
of about 32 p is expected

Gronp: The Internationa Grong: The UK condom and
rubber
glove mandacturer,
which is two-thinds through a three-year recovery pro-
gramme, is expected to report
steady progress in its annual steady progress in its annual
nesulls. Anolsstis are
ing preatax proct


## 

## Spain steps up public sector sell-off



4eyi001:50

FINANCIAL TIMES TUESDAY MAY 281996
MARKETS: This Week

Political doubts cloud prospects in New Zealand

| Naw Zealand's attractlve economic outlook may make it | with inflation at 2.1 per cent with an independent central |  |  |
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| ment and Treasury must be |  |  |  |
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| why tits bonds suffered what one broker called a "blood- |  |  |  |
| bath" late last weekNew zealand is |  |  |  |
|  |  |  |  |  |  |  |
| for ceoromic Cooperation and the market: poitital uncer- sammer meemen . . ... |  |  |  |
| elopment able to ran bud- | tainty, and a lack of liquidity. |  | - $-\sqrt{ }$ |
| deht and increase social coalition faces a generaly lec. |  |  |  |
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| neceminiter, satid announ- irsst ustiog proportional regre |  |  |  |
| his budget on Thaurs |  |  |  |
| But despite that cilaim, the |  |  |  |
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| party has seen its opinion poll those that want to sell are ind the talance going to refirie one |  |  |  |
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| US counterparts, the widestspread since.early 1992 |  |  |  |
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| of May 1991, apart from a brief viewed as a real risk by the owner of the largest Radiate greater infuence for |  |  |  |
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## Cades adopts a short-term bias



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## Thai reshuffle gives traders cheer

| In a market like Thailand's often driven more by senti ment than fundamentals, tbis | about 30 per cent of all finance company lending and some |  |  | Thalland |  | loans are dangerously concentrated in one area or to |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| week's cabinet reshutfe by | linance companies have |  |  |  |  | $\begin{aligned} & \text { one company paria via } \\ & \text { prescrentig of a particular } \\ & \text { inetitnting of } \end{aligned}$ |  |  |
| archa is insely to bring some | trouble collecting some of their loans. According to Wall Street |  |  |  |  | prescreening of a particular institution'a credit plan. Analysts generally give it high |  |  |
| b-ner | loans. According to Wall Street |  |  |  |  | Se most speculative forms of |  |  |
|  | at 22 of the 36 finance |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  | tracks. ${ }_{\text {commercial }}$ banks hav |  |  |  |  |  |  |  |
| ast tiree days, on | exposure to the property sector, just under II per cent of |  |  |  |  |  |  |  |
| 列 |  |  |  |  |  |  |  |  |
| ters will be sacke | sector, just under II per cent |  |  |  |  |  |  |  |
| dart | banks. according to Merril |  |  |  |  |  |  |  |
| ar | Lynch But indivdual banks' |  |  |  |  |  |  |  |
| yesterday and that Mr Ban | brokerage as profit plus unreallsed portfolio galms plas |  | confirm these claims, as |  |  |  |  |  |
| harra seven.parit co |  |  | innace company disclosure is |  |  |  |  |  |
| portant n | percentage of real estate |  | ineeguar and does not include |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| rather for marret react | exposurre) varies widely from bank to bank: state-owned |  |  |  |  |  |  |  |
|  | ${ }_{83}^{\text {Krumg That is well covered at }}$ |  | actually be dispoaable atvalued prices, only complicate |  |  | healin of property and inance |  |  |
|  |  |  |  |  |  | "what W ( hear". |  |  |
| tycoon, looks set to remain | bave been avoiding the property sector for quite some |  |  |  |  | more Banekok Bank of Com. |  |  |
|  |  |  | level of deferred income from |  |  |  | there, |  |
| members पuna |  |  |  |  |  | don't know. People might be |  |  |
|  | exposure to the Thai equity market inevitahly involves |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  | some positions in the finance |  | different companies have |  |  |  |  |  |
| so will the market", | problemknowingfor investors is iswhichfinance |  | different definitions of what a non-performing loan is, it could also be a sign of a |  |  | rate cut. A 50 basis point cut inlending rates late last week |  |  |
| short-lived, most analysts say. |  |  | offered aome hope, hnt themove appears to be merely ${ }^{\text {an }}$ |  |  |  |
|  | potentially in tronble This is incredihly hard to |  |  |  |  | could also be a sign of a conservative and healthy accounting and provisioning |  |  | attempt to shore np poor loangrowth rates A central bant |  |  |
| the market that cash-flow problems at property companies will depress earnings growth at tinance companies and, to a lesser extent, commarcial banks, which together accountfor 39 per cent of the marret'a entire capitalisation |  |  | policy. <br> Under <br> normal |  |  |  |  |  |  |  |  |
|  | This is incredihly hard to determine Finance companies |  |  |  |  | spokeswoman says the bank |  |  |  |  |  |
| at Anance companies and, to a lesser extent, commarcial Ganiks, witich together account for 39 per cent of the market' $a$ entire capitalisation. High interest rates puched | climim that property loans are |  | on the central banik to monitor |  |  | policy pantil the inflation rate posts several straight montbs of decline. |  |  |  |  |  |
|  | backed by summent collateral |  |  |  |  |  |  |  |  |  |  |
|  |  |  | property sector - whether |  |  |  |  |  |  |  |  |
|  | KETS InO |  |  |  |  |  |  |  |  |  |  |
|  | 1 madex |  | Nenumat mover |  | Merry on mont movement |  | Year to dite momenemt |  |  |  |  |
| by a central bank stin trying to engineer a soft lancing lorbooming economy, are the bie extemal moblem plaguing the |  | 2459 |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | ${ }^{-08}$ | $0 \cdot 2$ |  |  | 428 | Practax |  |  |  |
|  |  |  | $\begin{gathered} -1.55 \\ \text { and } \\ \hline 203 \end{gathered}$ |  |  |  |  |  |  |  |  |
| highly-teveraged proper |  |  |  |  |  |  | -1097 | - |  |  |  |
| for. Pooriy planned residential devalopments sold to specula tors rather than potential occu property transfers, the point at which a developer recovers 70 par cent of the purchase price of a particular unit. "Bvery time monetary policy | $\begin{aligned} & \text { Crio (10) } \\ & \text { Colomita (14) } \\ & \text { Mextco RZ3) } \end{aligned}$ |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | Lemin Metra 112 - -mine |  | +0.7 | +0.59 | $\underset{\sim}{-2081}$ |  | - |  |  |  |  |
|  |  |  |  | (189 |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| has been tighteened it's another |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Mr Mratam Catterwell. Head |  |  |  |  |  |  |  |  |  |  |  |
| crenfell. "When rates sinally |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |

The core strength of DGZ international is expertise in the Euromarkets built up over 25 years of servicing public-sector
earnings development. For the year, the Bank achieved double-digit growth in its operating results.

## EUROMARKET EXPERIENCE AND RESOURCEFULNESS BOOST RESULTS

| borrowers, financial institutions, internationally active corporations and institutional investors. <br> In 1995, we judiciously expanded our lending volume. Customer deposits surged by nearly one-fourth. Higher interest and commission income as well as successful trading activities contributed significantly to our good | Backed by a quarter century of Euromarket experience in Luxembourg. a commitment to resourcefulness in serving our specialized clientele, and the excellent results posted in 1995. DGZ International is well positioned for quality expansion of its wholesale banking operations in the years ahead. |  |
| :---: | :---: | :---: |
| DGZ at a glance DM million | 1995 | 1994 |
| Total Assets | 9,432 | 9.191 |
| Due from Bank | 4030 | 3.984 |
| Due tom Morbaank Cleens | 4,025 | 3,845 |
| Boonds and other Fxed-dncome Securities | 1.149 | 1,162 |
| Deposits by Bank | 3,687 | 4,493 |
| Deposits by Non-bank Clients | 5,005 | 4.124 |
| Capitala and Resenes | 224 | 209 |

A copy of our annual report is available upon request

MARKETS: This Week

other mankets compled by william Cochrane

## Perth puts on iron ore show

| One of the chief developments in recent years has been the emergence of Western Australia as one of the biggest expial. Between 1986 and 1994 the state's exports of iron ore erew from 83 m tonnes to 126 m tonnes, placing it second in the world export league, only 10 m This achievement is recognised in Metal Balletin magaand its Markets conference in Perth and subtitling it Focus on Australia. <br> egis conference (which cludes todayl will examine demand for iron ore in the markets of Assa, says metal Bolletin. "What is the history |  | of growth an <br> La manage <br> Speakers <br> Asia-Pacific continue to rates and w tinue to be th ciary?" <br> Other topi the growth exp Australia?; wid stream projec state?: and, bo will key ma China and Ko years time? Wpeakers In for resources $\qquad$ |  | well as <br> The co <br> field trip <br> as "the $h$ <br> ${ }^{\circ}{ }^{\text {oren. }}$ Other <br> Coffee <br> ending <br> Starting <br> Sugar Or <br> imgs. <br> Falls is <br> day conf <br> centratin | stry leaders from US and Japan d Thursday, by a he Pilbara region, land of of WA iron <br> ents this week day International ysation seminar, he Environment", day in Bangkok sation full councll committee meet: <br> ursday Victoria venue for a three ber of Zimbabwe's mainly on lnvest- |
| :---: | :---: | :---: | :---: | :---: | :---: |
| CROSS BORDER M\&A DEALS |  |  |  |  |  |
| $\begin{aligned} & \text { BuDDEA/iMVESTOR } \\ & \text { Sonat Offshore Driling } \end{aligned}$(US) | target |  | ector | VaLUE | COMMENT |
|  | $\begin{aligned} & \text { Trangocean Drtining } \\ & \text { Morway) } \end{aligned}$ |  | exploration | ${ }^{31.5 b n}$ | arased |
| Robert Basch (Gemmam) | Unit of Alired Slgnal (US) |  | Auto com | \$1.5bn | appro |
| Impestor Group puril | Light (rasin |  | Power | \$1.29b | rgest stake |
| Svedalal (swoder) | Tampella (Finland |  | Construction | s298m | $\begin{aligned} & \text { Formal revised } \\ & \text { offer } \end{aligned}$ |
| Swlissat (Swrcartimal | Anders miomational (UK) |  | Retaiing | 18m | Higher thar BAA |
| RJB Mining (U) | CIM Resources (Australia) |  | Mini | siorm | FNB ovorsgas debut |
| Contoon (Gemmary/francel) | Datra Eiotectinology (un |  | Blatectnology | 545 m | c |
| mstar (Car | EPF ( 0 |  | Heany veth | s41m | Reconmmended cash bld |
| Gatinge tindustior (Swede | mot Comp (1S) |  | al $p$ | \$30.5m | Suatlisation move |
| Rolls-Royce (UH/A/Aric (China) | tht ventur |  | Aircrafis parts |  | 3teng |

SUTHERLAND \& PARTNERS (EDINBURGH) LIMITED
With effect from Friday, 24 May 1996 we have changed our name to
SUTHERLANDS

> Limited
Our address and telephone numbers in Edinburgh will remain the same.
We are pleased to announce the opening of our new office at
Dashwood House, 69 Old Broad Street, London EC2M 1NX Telephone: 01716282030 Fax: 01716282060


| CANDADOAN PACTITC CIMTEED <br>  forparrica for be payment of the balf新 proparricted for be paymom of the balf <br>  DR. Remax Depury Secpeary <br>  <br>  |
| :---: |

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## PARIS

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## m

 followed on Thursday by
LVMH and Christian Dior, and
concluding on concluding on Friday, witb
Roussel Uclaf and Michelin. In
addition there are numerous addition there are numerous
sharenolder meetings for
smaller capitalised smanler capitalised companies,
suall as Bic oday and Bon
Marchê on fryday.
ma
 It was cutting
Friday. However, speccial atten.
tion will focus on the balance
given the recovery prospects.

## CURRENCIES By RHili Gawith

Currencies set for quiet week ahead of Tankan report








Con repo

## CROSS RATES AND DERI

|  | ${ }_{-1}$ | DKr | Fr |  |  |  |  | nks |  |  |  | r |  | $c$ |  | r |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Solat |  | ${ }_{118}^{187}$ | ${ }^{15764}$ | ${ }_{2}^{4885}$ |  |  |  | ${ }_{10}^{20.80}$ |  |  |  |  | 208 |  | ${ }_{\text {d, }}^{\substack{1550}}$ | r 209 |  |
|  | 20 | 11 | ${ }^{10}$ | ${ }_{2,585}$ | 1228 | 2209 | 3.305 | 12.06 | 3096 | 262 | 13.08 | 2126 | 1207 | ${ }_{2,035}^{2205}$ | ${ }^{6017}$ | 20, ${ }^{4}$ | 503 |
|  |  | ${ }_{3}^{2382}$ | ${ }_{\text {8,143 }}^{3.389}$ | 2407 | ${ }^{0.416}$ | ${ }_{2012}^{1015}$ | ${ }_{2}^{1.119}$ | ${ }^{4} 8$ | ${ }_{2027}^{1027}$ | ${ }_{2005}^{82005}$ | ${ }_{10,065}^{4.450}$ | ${ }^{0.897}$ | ${ }_{0}^{0.023}$ | ${ }_{2188}^{0.098}$ | 569 |  | 29 |
|  |  | ${ }_{3}^{0.3,52}$ | ${ }_{\substack{0}}^{0.335}$ | 0.080 | ${ }_{0}^{0.3011}$ | ${ }^{2000} 5$ | ${ }^{2} 111$ | ${ }_{3}^{0.823}$ | ${ }_{\substack{1218 \\ \text { O1, }}}$ | So | ${ }_{0}^{0.439}$ | ${ }^{39}$ |  | 97 | S80 | ${ }_{\text {cose }}^{30205}$ | ${ }^{5}$ |
|  |  | ${ }^{2}$ | ${ }_{3}^{7.208}$ | ${ }^{2337}$ | ${ }_{0}^{0.80}$ | ${ }_{\substack{\text { a }}}^{2064}$ | ${ }_{1}^{2.008}$ | 4,105 | ${ }_{100}^{20.1}$ | ${ }_{81017}^{190}$ | ${ }_{4}^{10.35}$ | 918 | ${ }_{0}^{1.002}$ | coin | 515 | 1232 | ${ }^{1236}$ |
|  |  | ${ }^{4} \mathbf{1}$ | ${ }_{7}^{40091}$ | ${ }_{2}^{2238}$ | 0, $2 \times 39$ | ${ }^{1214}$ | 202 | ${ }_{\text {S }}^{\substack{\text { S.end }}}$ | ${ }^{1231.6}$ | , | ${ }^{17}$ | ${ }_{\text {a }}^{\text {a, }}$ | ${ }_{0}^{0.515}$ | ${ }_{2013}^{1.070}$ | $\xrightarrow{\text { a }}$ | 13, 19.7 | 535 |
|  |  | 4704 | ${ }^{1.23}$ | 1,218 | 0.500 | 1238 | 1.353 | 5214 | ${ }_{1252}^{125}$ | 101.6 | 97 | , | 0.50 | ${ }^{1.096}$ | aza | 5,11 |  |
|  |  | a | 370 | 1,122 | 0,468 | 1315 | 125 | 2000 |  | 1898 | 4.e9 | 0.029 | das? | ${ }^{2017}$ | ${ }^{1.773}$ | 2as5 | 5903 |
|  |  | 5 | 4 | 1,432 | 0.5 | 8 | 1.501 | ${ }_{8,120}$ |  | 118.3 |  |  |  |  | a.ase | 100 | 25 |
|  |  | 7.203 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |








LONDON MONEY RATES



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Market-Eye

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| america <br> Gold miners |
| :---: |



EUROPE
Helsinki stays impressionable


## ASIA PACIFIC

Politics move share prices in India and Thailand



Henkel rerating divides analysts
S Africa quiet but
 Absa rises
With foreigners on holiday,
local institutions stayed on the
cidelines and Iocal institations stayed on the
sideinnes and the yey Johan-
neshurg thidece reflected this:






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 Thailand, to accept this

Nordic forelgn ministers Forerign ministers from Finland. Sweden,
Norway Densmark and lceland hold their
hiannual meeting on the Aland Islands, hiannual mesting on
Finland (to May 29).
Bottomley in Japan Virginia Botlomiey. the UK secretary of
states for notrional heritage. vists
boost cultural and trade tites (to May 31 .o. Tennis
The French Open, which started on
Monday, continnes in Paris (to June 9).
FT Survey
Public holidays
Armenia, Azerraiaian, Ethiopia, VIrgin
Islands. Tran, Pakistan (depending on
sighting of moon
WEDNESDAY 29
Israel goes to the polls Sraelis electa a prime minister and
parlument in wtat the partres are bining
as the most cructal election in the history as the most cructal election in the history
of the Jewish state. Ahheh turnout is
expected amonon the 3.9 m revistered expected among the 3.3 m registered
voters.
himon Peres, the prime minist ooters. Shimon Perres, the prime minist
has asked for a mandate to continne
negotiations with the Palestinlan negotiations with the Palestinlan
Authority towards a final peace Authority towardis a imal peace
apreement He becane prime minister
after a Jewish opponenent of the peacee
process gunned down his predecesser.
Ytithak Rabin. Mr Peres challenger.
Benjamin Netanyahut th Liked party
 Interpol gathers in Warsaw


conference. Drue
and the fight
againt the
against the
continents
emereming maias
emerering mainas
nill be prominen
on the agenda
Forty European police forcees aree to be
represented, with observers from the EU's Eurrosoned, witending observers frimen the EU's
kind in the Polish capitat.

Red Cross disasters report
Hunger and refugees are the main themes released by the International Federation of
Red Cross and Red Crescent Societies. The number of refugees and displaced people

Kohl in Portugal Helmut Kioh, the German chancellor nce the Soct oncial visit to Portural
 inister, in surpport of mere Porturese prime tegration and expansion. Ent Portugal. ia for Earopeaan monet tonvergence critenot dimminish thaten few states are .
the siging of an agreement for Siemens.
the Cerman electrañins rexup to mivest i
a 1.00 -jiob memory chip a 1.000 -job memory chip plant. European championships, Oslo. Norvas
ito June 2 ).

FT Survey
German Bankin
TUK only).

## Public holidays Bangladesh. Fiji, Israe Bangladesh. Fiji Lsrael. Virgin Islands. THURSDAX $\quad 30$

Tise arifit ty Dpor cean his year, and



Showiumping Hickstead Nations Cup. England
(to Jume 2).

Goif

FT Surveys


Czech general election starts Two days of voting begin in the third
election in the zect Repulic stine the
Velvet Revolution in 1989. Howerer this is
 referendum on four years of econonomic a
reform under the prim minster Václav
flaus
 be returned, although perhaps with a
smaller maioity. The pain challenge are
the Social Democrats. who are likely to become a much stranger opposition force
to Mr Elaus's Civic Democratic Party.

Japan bid-rigging ruling


FT Survey
Public holidays

## Northem ireland elections Northen Ireland goes to the polls to pare the way for allpart talks on the furure of the province The contest is for 110 seats  <br> SATURDAY

 Jume 10 negotiations. Divionitsts will misb to use the poll as exidence ofss wpuor forcontinuing the union with the LK . With
Londung London and Dublin Insisting on a
rimstatement of the IA ovasebre before
Sinn Fein the
 maximise its rote in order to pressure the
two governments to lift the bana

Russia courts WTO Another round of negotiations on Russia's
ravive to join the World Trade begins in Geneva (to May 31 . It will be ep
to thire years before Russia can become a member - a process not hilped by trade
spats between Rossia and its trading part. ners Atter being forced by the Ittern.
tional Monetary Fund to resclud a plan to

Ariane 5. Europe's new entrant in the launching market is due to make to maiden filight. The 5I 57 .metre high rocket,
the erargest
launched from westen Europe, is to be in
in French rom the Kourou space eomplex
identical science satelilites. Ther rimp four
 Ariane $4-$ at around the turn of the
century At the trme whrtigg the seond
stago of the tocket was stillibeing filled Nith fatel - with the launch date subbect to

Cleaner petrol in California
A new air-quality petrol regine begios to
will sell fuel whicb reduces emissions of smog-producing compoun project is
by about tis per ent. The
expecter to reduce acer risk from

exposure to petrol hy more than a thirr. FT Survey | Public holidays |
| :--- |
| Azerbaijun Brinee. Kenya, Malaysia, |
| Mongolia, Sri Lanka, Western Samoa |
| 2 |

SUNDAY


 crimi alals indicteaded hy the tinterriational
tribunal at The Hague. Among those
indicted is the Bosnian Sert leader indicted is the Bosnian Serrb leader
Radovan Karadicic It wil asso be dexaanded that refugees be returned and
freadom of movemant in Bossinand and the
workings of the fragil Moslem.Croat federation be guaranted - all pillars of
the Dayton agrement.
Run-off in St Petersburg Anatoly Sobchak, the liberal mayor of Stwe
Petershurg facese bis deputy in a run-off
election The vote might foreshadow the

 the first round against his superiors 23 strong chanlenge. Both candidates back
President Borise Yeltsin and democratic
reform - true to the reqion's image as the reform - true to the regon smage as the
vanguard of anti-communism in Russia.

Iie Nastase, the
former tennis sta
has the
in the caamantagaiga
in
has the advai
in the capapaie
for the mayersh
of Bucharest, the
capital of Romanan
MiN Nostase is
standing for the
Social Democracy in Romaniaing second:
local election smoe the colapse of
 most opinion polls, Mr Nastase is not
expected to wis
is likely to be forced certo into of the vo vote ant

## Motor racing

After the calamistes of the Monaco, grand
prix In which only three cars $\overline{\text { Inished. }}$ winl be hoping to extend his comportatale lead over 5ist main rival Germanys
Michael Schumacher (Ferrari), for the



|  | Statistics to be released this week |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Monday: Adjustment of stock levels is thought to hav depressed economic growth in Australia during the first quar er of the vear. |  | Country | $\begin{aligned} & \text { Ecomonnco } \\ & \text { Sutabatc } \end{aligned}$ | Minam | $\begin{aligned} & \text { Perviloestry } \\ & \text { Actural } \end{aligned}$ | Day | Country | $\begin{aligned} & \text { Exprivatic } \\ & \text { Otemistic } \end{aligned}$ | Medimat | Previous |
|  | Tues | us | May consummer conifience | 102.0 | 105.3 | Fid | us | May Michiosan smatment final | - | \%9.9 |
|  | May 28 | us | Apr miditurg home sabe | - | 4.21 m | May 31 | us | May Criczogo Ass purching migat | - | 52.0 |
| Tuesday: The surge in the |  | us | Jotmson forchook w/e. May 25 | . | 6.1\% |  | us | May agrioullual prices | - | 0.9\% |
| US consumer confidence |  | Japan | Mar commeident hax | 40.0\% | 100.0\% |  | Us | Apt personal income | 0.43 | 0.5\% |
| month is expected to have par. |  | Japan | Mar beadena difturentud indx | 45.5\% | 80.0\% |  | us | Apr pers consummpton expenditure | 0.19 | 0.6\% |
|  |  | Japan | Apr rolain sales*- | 0.89\% | 28\% |  | Japan | Apr unemployment rame | 3.39\% | 3, 1\% |
| dught to have fallen im |  | Japan | May wht'sals price hid (2nd 10 days) |  | -0.1\% |  | Japan | App job offiers seeneer raio | 0.67 | 0.67 |
| Wedtestay: Inflation in |  | France | Apr househotd consum prion't | -02\% | . 1.29 |  | Japan | May consumer price indx (rohro)- | 0.19 | $0.3 \%$ |
| gium is expected to have edg | Wed | Jupan | Apr industalal prosiciont | 3.5\% | ¢.0\% |  | Japan | May CP ex-persthatles (rohol' | 0.146 | 0.0\% |
| cer prices in Sweden a | May 29 | depan | Apr stipmentst | . | -5.5\% |  | Japan | Apr corisurner prise incts (mation)" | 0.4\% | 0.1\% |
| expected to be running |  | France | Mar trade batancot | FFre:Obn | FFnozbn |  | depan | Ast CPP ex-porithables (nation)- | \% | 02\% |
| oumd last year's levels. ana. |  | lany | Mar hounty wiges | 4.2\% | 4.150 |  | Japan | App constuction oriders: |  | -0.6\% |
| cast to have picked up a little |  | Hay | Apr hounty wages | 4.2\% | n/a |  | Japan | App housting stata** | 8.3\% | 8.2\% |
| $\begin{aligned} & \text { in Apr } \\ & \text { decline } \end{aligned}$ | Tmur | us | 1 lt qtit GDP prebim | $2.8 \%$ | 2.8\% |  | dapan | Apr construstion starts" | - | 5.3\% |
| Thurssay: The Bundesbank | May 30 | US | 18 Qt GPP dofator problm | 2.5\% | 2.5\% |  | Frames | 12 S qti, groxes domestic prod proll | 0.6\% | -0.44\% |
| Council meets in Trankfurt. |  | us | 185 qut ather tux comp profit | 2.0\% | 1.9\% |  | UK | Apr fina money das | - | n/a |
| thought to have oarrowed in |  | us | Initial ctaims w/a May 25 | 350,000 | 344,000 |  | UK | Appr consumer creadi | ${ }^{\text {f725m }}$ | E700m |
|  |  | us | Stute benefits w/e May 18 | - | 254 m |  | tray | 1 it qut grees comestic prod proin- | 1.19 | 2.3\% |
| the following month Finnisb |  | $1{ }^{1}$ | Apr new home seles | 688,000 | 872,000 |  | Ausia | Appreail made | 0.3\% | 1.8\% |
| unemployment is expected to |  | us | m2 wre May 20 | - 50.5 sm | - | During the | woek.: |  |  |  |
| Priday: US personal income |  | Japan | Apr Bank Jpor carp senices pricos- |  | 0.14 |  | Catriany | Apr mport pricas. | 0.3\% | $0.3 \times$ |
| growth is expected to bave |  | jepan | Apr Bark Jpin coip Serumes prices-- |  | -1.0\% |  | Gamany | Apr mpoor prices- | $0.8 \%$ | $0.4 \%$ |
| tion growth The ltalian econ- |  | UK | Mar global vishe trade | -21.06n | -81.5bn |  | naty | Apr balance of peymments |  | L1.4Tr |
| oms is thought to have started |  | UK | Apr exec visibla trade | -750m | -8571m |  | traly | Apt M2 (3m anerase) | 27\% | 27\% |
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## PRIZE CROSSWORD No. 9,079 Set by DANTE <br>  <br> 




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## Haven of friendliness





 PROFILE Regional President Alberto João Jardi Two decades at the helm


NANCIAL TMMES TUESDAY MAY 281996



## THIS WEEK



## eks silver for Jubilee

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government will be roprrested
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## PEOPLE

## Ross Goobey attacks "Catch 22"

High hopes are pinned on the new chairman of the PFI, reports Andrew Adonis




The ifie of economic Forecasters





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Peter Marsh on the revolution at Lec Refrigeration as it attempts to transform its corporate style
 changes ungolding at fec Refrie.
large white wis manuac.
lis tring to shift its manage ment thinkings severa
of about 15 months.
Habits developed of about 15 months.
Habits developed more more than 40 years
-since the company was set up in Bogomor
by Charles Pourlen an entrepreneurial for-
 are being turned on their bead hy a crasb
programme in worker empowerment
All 1.000 Lec employees ore being trained
Len In a series of two day "worksbops" to come
up with their own ideas for mpproving the
company ratber than having changes company ratber that
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The worlshops are supervised by sid
Joynson, blumtspeaking aud hinghly
unconventional management tacilitator Joynson, a bunt-speaking aud highid
whoconventional management facilitator"
who refers to shat who refers to shop--oor workers as
"heroesc and has upprintable views about
many current management praty
 plant, as the company attempts a complete
change in corporats style. The efior is isk-
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NNintendo. hy Tery Mahoney. Les. pro.
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the 2 panm takeover of in philos
 encompassing more than 200 companies
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 pany had run into losses, as competition
hotted up in the sibn a sear European
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sme varby sees whicb turns out
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about three-quarters of the workers
the sbop-lloor. as a strategic asset helping it to srapch into European manufafteturing,
The Malaysian giant bas spent Thilling a a gleaminiz new refrigerator forctory now nearing completion next to Lec's
rambling and old fashiloned premises tin

 ised that to take maximum advantage of
Sime Dars.
That meant strategy it had to change. down" management approach, and bringing
in Japanesestyle koizen techriques in which workers are trainend to work tin teams
and devis solution to prodution problems
largely indopendenty of supervisors. Succ programmes are far from new. They
bave been Hrought in ty many manula have bemanies, particulurrly in Britianactarresponse to the competitive threat from
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Hearn. Bernie calmly explaineed th


 hese cases and blue for ways to improve group. - says of the carizen expert: " matters. The workers are divided into helped us to improve our perfor




 ductixity hs 10 per cent over the nest cou-
ple of years. "By the end of this rear [nhen
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Joynson says many of his Ideas hare
come from conying Japanese-tyle working
 employees to take responsibilitye forches their
action by breaking work doun into small
secment segments. ldentifyng problems and the
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He is contemptuous of much of current
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of what he says are fadisb namps such as
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their people, he spy. It tell them Id on the
want to tivest in people, I want to set them
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det electricity generator Powergen at which
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## SAMSUNG, SIEMENS \& FUJITSU Share something special THE NORTH OF ENGLAND

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financial times tuesday may 28

Della Bradshaw examines why case studies are still proving popular

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| South terminals. inclodes a : "food count" of the kind that "food count" of the kind that American shoppimg malls. This allows passeogers travelling together to pick up and regroup at the same. table. <br> The choice ranges from <br> last-food staples such as pizma fried chicken and Creole gamba Airport operators desperate for nesp revenue buit starved of space will look on in envy. There will be a total. of 130 gew shops at finutsfield to take advantage of a flood of visitors to this summer's Olympic Games To quote the management "The days of |
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Amon Cohen on the growing demand for long-stay hotel accommodation

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even watcb hilarious Norwegian
don city-centre service and even watch hilarious Norwegian
game shows on cable television.
Howeer, fun as all this might have
been for a night or two, would you
 For most business travellers, the
answer is No, wibic is why hotel
companies are starting to reaitse
 long-stay market. The obivious.
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## Eurocommuter enjoys the age of the train






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## Rugby's small fry may rebel

Keith Wheatley on the undervalued work of people at the sport's grass-roots


## Deconstructionism - alif empty bid to fill a cultural void

Libeskind's design for the V\&A revives an outmoded theory, writes Colin Amery.

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SUBSTANTIAL OFFERS INVITED FOR THE RREEHOLD

Andrew Clark talks to the acceptable voice f modern music，composer Nicholas Maw I


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#### Abstract

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Theatre／Sarah Hemming


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| －PARIS concorr <br> Salip propel Tol． 331455615300 Mahler．Performed by the En Orchestral de Parls with consemblor Armin Jordan，mezzo－soprano Hedwig Fassbaender and tenor James Wagner；8．30pm；May 28 ExHEMTON Galeries Nationales du Grand Palais Te： $33-144131717$ 1815－1850：exhibition of some 180 paintings and watercolours by 1815 and 1850；to Jul 15 |
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| Sololsts include Kathlean Cassello， Bruce Ford and Roberto Scandiuzz 8．30pm；May 28 |
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| $\begin{aligned} & \text { SYDNEY } \\ & \text { CONCERT } \\ & \text { Concert Hall Tel: 81-2-250-71111 } \\ & \text { - The Australlan Phulharmonic } \\ & \text { Orchestra: with conductor Gerthard } \\ & \text { Tract, soprano Oga Savina, tenor } \\ & \text { Kenneth Collins and The Vienna } \\ & \text { Male Choir perform works by Stolz, } \\ & \text { Lehar, Kalman and Schubert: } \\ & \text { 7.30pmi, May } 28 \end{aligned}$ |
| －VIENNA <br> CONCERT <br> Konzerthaus Tel：43－1－7121211 TTH Fellner．the pianlst performs Listh；7．30pm；May 28 Musikvereln Tel：43－1－5058681 －Emst Kovacic：the violinist Einert；7．30pm；May 28 |
| －WASHINGTON EXHBTION <br> Tel：1－202－357－1915 <br> －Rebels：Painters and Poots of the 1950s：two－part exhibtion that exarnines the revolutions in painting East and West Coasts following the second world war；to Jun 2 second world war；to Jun 2 |
| Listing compinied and suppllod by Artigs The Intemational Arts ArBase The intermatonal Arts Nothertancos．Copyright 1996．All |

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LETTERS TO THE EDITQR
Number One Southwark Bridge, London SE1 9 HL
We are keen to encourage letters from readers around dex world, Letters niay be faxed to "44 tri-87. 5938 (please set faxi
CBI support for EU good for British business


| Fhom MIr Nz̈all FizGerald. <br> Sir. Arguing the benefits to business of European Union membership does not make Sir politician", as Sir Owen Green suggested (Letters, May 24). <br> The benefits to British business of the EU, and the single market in particular, are clear. The EU now accounts for 53 per cent of British trade. And by being a strong voice for liberal international trade in the General Agreement on the General Agreement on Tariffs and Trade and the World Trade Organisation far stronger than Britain alone could ever be - it helps open beyond its borders. <br> It is not surprising therefore | that business suyport for membership of the Union is overwhelming. As president of the Confederation of Britisb Industry, it was Sir Bryan's Job to put that case as clearly and forcefully as necessary. That is not politics, it is good husiness. <br> Niall FitzGeraid. <br> vice-chairnan, Unilever. <br> Unilever Hoase. <br> Blachfriars. <br> Ondon EC4P 4BQ. TK <br> From Sir Colin Morshnil. <br> Sir. Sir Owen Green argues that Sir Bryan Nicholsons British Industry's annunl dinner means the CBI is | straying away from a defence of business issues and into the realms of politics. <br> Bryan's speech argued surongl for Britis Inion and against European would put that membership at risk. I can think of few issues where business opinion is clearer than EU membership. In our last survey, 90 per cent of businesses said tbey were bold that opinion not for political reasons, twit because of the benefuts of the single market Given that weight of opinion, it would be on odd representative ortanisation that did not argue the case. Bryan focused on the | economic and business Implications of membership. especially the single market, and made constructive comments for improvements. Had he strayed on to, say, justice and home affairs or foreign and security policy, Sir stuck to matters of direct and daily relevance to British businesses, I find it hard to see bow we can be accused of straying off our patch. <br> Colin Marshall. <br> president, <br> Confederation of British Indastry. <br> Centre Point <br> 103 New Oxford Street, <br> London WC1A DU, UK |
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| Regulation <br> good for BAA <br> From Mfr Des Wilson. <br> Sir, Lex is right ("BAA", May <br> 22). BAA London airports are regulated and regulation is a serious husiness, hut our serious husiness, hut our regulatory regime has proved sound and stable. BAA and its customers are united in the priority they attsch to the company being abie to it nstional aviation needs, while achieving some of the lowest landing fees in the world. The company is currently in the middle of its regular | Advantages of <br> From Mr P.M.W. Tucker. Sir, In welcoming the US ineasury's plan to introduce that saving debt service costs will depend on whether or not the market is too pessimistic about future inflation Questioning bond markets" May 18/19). It is true that an issuer of indexed boads will ont er post to be lower than the market expected. But this is only one possible source of is that the issuer does not have | to pay any inflation risk premium pricerl into the cooseutional bond market on account of inevitable uncertainty about the future course of innation. That $e x$ premium does not the issuer taling anyend on particular view about the path of inflation or whether tbe outlook for nominal bonds is hullish or bearish Another. separate advantage of indexed bonds is that they contribute to a reduction in incertainty about the real cost | d bonds <br> of borrowing. and so can be regarded as reducing risk for the issuer. These issues and others were discussed at the Bank of England's conference last year on the indexed-i background papers are available from the Bank and the proceedings will be published soon. <br> Paul Tucker, <br> bead of git-eiged and money markets division, Bank of Engiand <br> London EC2R 8AR, UK |
| being conducted on all sides in an orderly, constructive way. The Monopolies and Mergers Commisston will report on our activities in the next two months and the Civil Aviation Authority will then make lts proposals for the price control proposals for the price contru formula to apply until 2002 There will then be consultations with airlines before a final decision is made in the autumn <br> report, the break committee south-east airports has been examined periodically since 1986 and always rejected. Des Wilson, dirrector corporate and public affairs. 130 Winton Road, UK | Repercussions <br> From Marthew Taylor MP. <br> Sir, In her article "China expected to spur world's energy demand" (May 20). Deborah Hargreaves rightly points out the "hig implications for world fuel resources" of a dramatic rise in energy demand in China and Asia as a whole. the serious repercussions this will have for the global environment, with the dramatic increase in the release of greenhouse gases. tmperative that this recognition gives further impetus to efforts in the US and Europe to reduce energy consumption and increase consumption and increase | energy etriciency. This is in line with tbeir commitments to the Earth Summit in Rio de Janeiro. 1992. According to receut projections by the Association for the <br> Conservation of Energy, the Et is currently failing to meet $\mathrm{CO}_{2}$ enissions by the year 3000 while presiding over a <br> dramatic slowdown in the rate of energy efficiency <br> It is current. <br> mere 20 per cent of the torld population - the developed nations - use so per cent of the world's resounces. We cannot. of the Solith an opportunity | gy demand <br> further to develop but we must face up to the potentially catastrophic environmental consequences if we in the our excessive use of resources while they increase theirs. This is entirely consistent with the maintenance and services and standards of lif government scientists have. estimated that 50 per cent of could be saved with existing technology alone. <br> Matthew Taytor, <br> Liberal Democrat envtranmient spokesperson, London CWIAmons, |



# FINANCIAL TIMES <br> Tuesday May 281996 

Policy aims to make exports more competitive
Taipei lets currency slide in effort to revive growth

By Laura Tyson in Taip
Taiman's currency plunged yesterday, signalling a new wrill
ingress hy the government to use Pports more comperitive. malk
The N New Taiwan dollar cosed
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exports was worth the risk
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## Deutsche Telekom in \$536m

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## quarter of 1995 and 5.31 per cem in the first three moonths of this vear compared with 6.54 per cent the full year 1994




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## New chip promises 'electronics revolution'

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## Albanian opposition

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European takeovers



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Currencies' eerie calm

|  |  <br> forrard principles which national governments would have to Iesh out into precise rules. Moreover, the principles themselves - covering such things as equal treatment of all shareholders are eminently sensible. Still not only the principles from on high; doing so could have umpleasant sideeffects. <br> The risks are most obrious in the Panel currently works fairly well Bringing it into a statutory framework. however loase. cow a bid battle to challenge the Panel's decisions in long-rinded. the whole hid could lapse. Indeed, participants might challenge in mind. Rather than trying to enshrine its principles in law, the commission shouid present them as ments would be well advised to adopt. <br> UK property <br> The problem with the UK property sector is that while the supply of prop- erts shares is limitless, as demonstrated hy last week's rights issues, demand for them is not Property companies are rarely short of deals, just the funding for them. So as soon as sbare price discounts to net asset This was a feature of 1937 and 1993, although cash was also needed to rebuil to produce enough paper to drown renewed interest in the sector. <br> Of coorse, funding the right investment proetrammes can be profitable. has spent well - and desplte facing three rights issues since the market shares have outperformed the mark by over 200 per cent. But they are a |  |
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    forgeting that these can fade faster than the time it took to achicye them.

    Success: precious but ephemeral. Every day, you have to fight for it anew. There's no time for idly con-

